

3/28/78

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Memo	Fran Voorde to Pres. Carter, 3 pp. re:Call to George Dunne	3/28/78	C

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THE PRESIDENT'S SCHEDULE

Tuesday - March 28, 1978

7:35 Departure Statement - The South Grounds.

7:40 Depart South Grounds via Helicopter
en route Andrews AFB.

8:00 Depart Andrews AFB en route Caracas,
Venezuela.

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1712

MAR 28 1978

1707

THE WHITE HOUSE
WASHINGTON

March 28, 1978

Henry Owen

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

Frank Moore: Please deliver letters.

LETTERS REGARDING HUMPHREY BILL

THE WHITE HOUSE
WASHINGTON

*Letters to Frank Moore
for Delivery to Hill*

<input type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
<input type="checkbox"/>	IMMEDIATE TURNAROUND

ACTION	FYI	
<input type="checkbox"/>	<input type="checkbox"/>	MONDALE
<input type="checkbox"/>	<input type="checkbox"/>	COSTANZA
<input type="checkbox"/>	<input type="checkbox"/>	EIZENSTAT
<input type="checkbox"/>	<input type="checkbox"/>	JORDAN
<input type="checkbox"/>	<input type="checkbox"/>	LIPSHUTZ
<input checked="" type="checkbox"/>	<input type="checkbox"/>	MOORE <i>send letters</i>
<input type="checkbox"/>	<input type="checkbox"/>	POWELL
<input type="checkbox"/>	<input type="checkbox"/>	WATSON
<input type="checkbox"/>	<input type="checkbox"/>	McINTYRE
<input type="checkbox"/>	<input type="checkbox"/>	SCHULTZE

<input type="checkbox"/>	ENROLLED BILL
<input type="checkbox"/>	AGENCY REPORT
<input type="checkbox"/>	CAB DECISION
<input type="checkbox"/>	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

<input type="checkbox"/>	ARAGON
<input type="checkbox"/>	BOURNE
<input checked="" type="checkbox"/>	BRZEZINSKI <i>H. Dwan</i>
<input type="checkbox"/>	BUTLER
<input type="checkbox"/>	CARP
<input type="checkbox"/>	H. CARTER
<input type="checkbox"/>	CLOUGH
<input type="checkbox"/>	FALLOWS
<input type="checkbox"/>	FIRST LADY
<input type="checkbox"/>	HARDEN
<input type="checkbox"/>	HUTCHESON
<input type="checkbox"/>	JAGODA
<input type="checkbox"/>	GAMMILL

<input type="checkbox"/>	KRAFT
<input type="checkbox"/>	LINDER
<input type="checkbox"/>	MITCHELL
<input type="checkbox"/>	MOE
<input type="checkbox"/>	PETERSON
<input type="checkbox"/>	PETTIGREW
<input type="checkbox"/>	POSTON
<input type="checkbox"/>	PRESS
<input type="checkbox"/>	SCHLESINGER
<input type="checkbox"/>	SCHNEIDERS
<input type="checkbox"/>	STRAUSS
<input type="checkbox"/>	VOORDE
<input type="checkbox"/>	WARREN

1809

THE WHITE HOUSE
WASHINGTON

March 27, 1978

Henry-
This is a new procedure which I do not like. I do not like to put me on record so early & so specific. It could better be done by testimony. Check with V. Pres before sending letters
JO

ACTION

MEMORANDUM FOR: THE PRESIDENT
FROM: HENRY OWEN ~~WFO~~
SUBJECT: Letters Regarding Humphrey Bill

1. Attached are letters to Chairmen Sparkman (Tab A) and Zablocki (Tab B) conveying to them your position on the Humphrey bill. It is important to get these letters off, before news of your decisions leaks -- which is the worst way to make them known to the Congress.
2. We have given some brief suggested remarks about the Humphrey bill to Jim Fallows for the Caracas speech. These should only be used if the Chairmen have been notified in advance.
3. If you have a moment to call Mrs. Humphrey either tonight or from the plane, to say that you are sending the Committee Chairmen your views on the bill that bears her husband's name, this would be most helpful.
4. Frank Moore concurs. His staff will contact the leadership and other appropriate members. Jim Fallows concurs.
5. Recommendation: That you:
 - a. Sign the attached letters. *done*
 - b. Phone Mrs. Humphrey. *not done*

(TWO SIGNATURES REQUESTED)

THE WHITE HOUSE

WASHINGTON

To Senator John Sparkman

I wanted, before leaving on my trip to Latin America and Africa, to convey to the Congress my strong support for the basic concepts of S.2420, the International Development Cooperation Act of 1978. The objectives of the bill are also those of the Administration. It will greatly strengthen the primary goal of my Administration in this area -- directing our development aid programs towards meeting basic human needs and protecting basic human rights. There are certain changes which I believe should be made in the bill as introduced.

-- Coordination with Foreign Policy: I agree with the sense of S.2420 that bilateral development assistance should not be used to meet short-term foreign policy needs. At the same time, foreign aid should not be entirely separated from foreign policy at the country or broader level. In order to achieve a balance in this relationship, I believe that the Administrator of the IDCA to be created by the bill should report both to the President and the Secretary of State, and should serve as the principal advisor on development to both.

-- Basic Authorities in the President: Instead of vesting authority specifically in the Administrator and other officials, the bill should state how the basic authorities for foreign assistance should be carried out, and should identify those to be carried out by the Administrator, but should vest the authorities in the President. This would enable me, in directing the Administrator, to make provisions for effective coordination within this Executive Branch, and would facilitate the implementation of this legislation within the framework of other relevant law.

--International Financial Institutions: The bill would transfer responsibility for overseeing the operational programs of the IFIs to the IDCA, while leaving responsibility for the overall financial soundness of the banks in the Treasury Department. Rather than divide authority in this way, I would prefer to test whether greatly strengthened coordination arrangements can integrate our multilateral and bilateral assistance efforts. Accordingly, I plan to put into effect as soon as possible by Executive Order a coordination mechanism which I believe you will find consistent with the spirit of the bill. I will forward the details of this new mechanism to you shortly. I am prepared to review the bill's proposal in this area a year hence, once we have had an opportunity to examine the effectiveness of these new procedures.

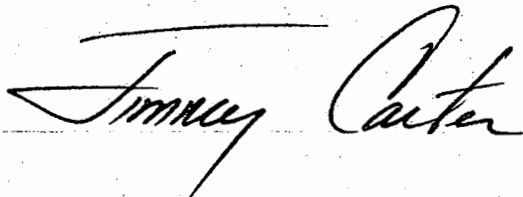
--Security Assistance: The bill includes a highly circumscribed authority for economic security assistance, but would repeal many of the existing authorities for both economic and military security assistance and for some non-security programs, such as narcotics enforcement, which are intended to be continued in other new legislation. It is essential that these existing authorities not be repealed until they are replaced.

--Technological Collaboration: At present the bill does not contain provisions strengthening collaboration with developing countries in science and technology, where I believe there is a large, unrealized potential. We believe that establishment of a Foundation for Technological Collaboration within the IDCA would meet this need.

In addition, there are a number of other matters which I believe need review and possible revision. Members of my Administration will be glad to work with you over the coming weeks, in addressing these other matters and in elaborating on the points described above.

The authors of S.2420 are to be congratulated on an important initiative, which can become a landmark piece of legislation in an area vital to our relationships abroad and to the future of all nations. We intend to consult closely with you in shaping the new aid arrangements that will emerge as a result. I am confident that close cooperation between the legislative and executive branches will bring about much needed change and reform, creating a more effective program.

Sincerely,

A handwritten signature in cursive script, reading "Jimmy Carter". The signature is written in dark ink on a light background.

The Honorable John J. Sparkman
United States Senate
Washington, D. C. 20510

THE WHITE HOUSE

WASHINGTON

To Congressman Clement Zablocki

I wanted, before leaving on my trip to Latin America and Africa, to convey to the Congress my strong support for the basic concepts of S.2420, the International Development Cooperation Act of 1978. The objectives of the bill are also those of the Administration. It will greatly strengthen the primary goal of my Administration in this area -- directing our development aid programs towards meeting basic human needs and protecting basic human rights. There are certain changes which I believe should be made in the bill as introduced.

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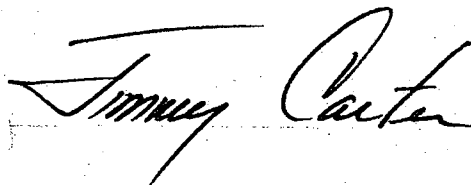
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Sincerely,

A handwritten signature in cursive script, reading "Jimmy Carter". The signature is written in dark ink on a light background.

The Honorable John J. Sparkman
United States Senate
Washington, D. C. 20510

Signed 3/21/78

THE WHITE HOUSE
WASHINGTON

March 28, 1978

Bob Lipshutz
Midge Costanza
Stu Eizenstat

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

EO RE NATIONAL ADVISORY COMMITTEE
FOR WOMEN

THE WHITE HOUSE
WASHINGTON

3/27/78

Mr. President:

OMB, Justice and Jim
Fallows have cleared
the proposed Executive
Order.

Rick

THE WHITE HOUSE
WASHINGTON

March 24, 1978

DO NOT ACT ON
THIS UNTIL I RETURN.
OUTLINE LIMITS OF SECTs.
4.(a) and 5 and 6
TO ME THEN
JC

MEMORANDUM FOR THE PRESIDENT

FROM: MIDGE COSTANZA *SMC*
STU EIZENSTAT *STu*
BOB LIPSHUTZ *BL*

RE: Executive Order Re National Advisory
Committee for Women

Attached is an Executive Order which establishes a National Advisory Committee for Women, as well as an Interdepartmental Task Force to deal with women's issues. As you know, the IWY Commission expires on March 31, and the proposed Order insures that there will continue to be an important institution principally concerned with women's issues.

The proposed Order uses the term Committee rather than Commission so that it will not appear to be simply a continuation of the IWY Commission. Similarly, the size of the Committee (maximum of 30 members) is smaller than that of the Commission.

The original draft of the Order proposed by IWY contained language which could be read to endorse all recommendations made at the National Women's Conference at Houston. Since these recommendations are currently under review at the White House, we do not believe that there should be a blanket endorsement. For that reason, references to the recommendations have been rewritten: both the Committee and the Interdepartmental Task Force are charged simply with reviewing the applicability of recommendations concerning women, including the Houston proposals, to particular programs and policies. (See Sections 3(b) and 6.)

Section 5 authorizes Executive Branch agencies to provide funding and support services to the new Committee to the extent permitted by law. The Department of Labor has agreed to house the Committee and to provide basic support services; other agencies have also agreed to provide assistance.

As noted, the Order also establishes an Interdepartmental Task Force responsible for reviewing agency programs and policies. (See Section 6.) The Task Force, while independent of the Committee, would work closely with it.

This Order should be signed by March 27 so that there will be no hiatus between the date it becomes effective and March 31, when the IWY Commission expires. We recommend that you sign the Order.

_____ Approve

_____ Disapprove

EXECUTIVE ORDER

- - - - -

ESTABLISHING A NATIONAL ADVISORY COMMITTEE FOR WOMEN

By virtue of my authority as President of the United States of America, and in order to promote equality for women in the cultural, social, economic and political life of this Nation, it is hereby ordered as follows:

Section 1. Establishment of a National Advisory Committee for Women. There is established a National Advisory Committee for Women (hereafter the Committee).

Sec. 2. Membership. The President shall appoint not more than thirty individuals to serve on the Committee and shall designate one member to chair the Committee.

Sec. 3. Responsibilities of the Committee. (a) The Committee shall advise the President on a regular basis of initiatives needed to promote full equality for American women.

(b) The Committee shall assist in reviewing the applicability of such initiatives, including recommendations of the 1977 National Women's Conference, to particular programs and policies.

(c) The Committee shall promote the national observance of the United Nations Decade for Women, Equality, Development and Peace (1975-1985).

(d) The Committee shall gather and disseminate information relating to its responsibilities.

(e) The Committee shall consult regularly with the Interdepartmental Task Force established in Section 6.

Sec. 4. Committee Procedures. (a) The Committee may establish, within the limits of available funds, such working groups as may be necessary to fulfill its tasks. The membership of such groups may include persons not members of the Committee.

(b) The Committee shall establish such procedural regulations as are necessary to carry out its responsibilities.

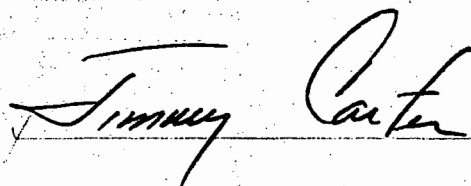
(c) The Committee shall conclude its work by March 1, 1980, and shall make a final report to the President.

Sec. 5. Assistance and Cooperation. The Committee may request any agency of the Executive Branch of the government to furnish it with such information, advice, funds and services as may be useful for the fulfillment of the Committee's functions under this Order. Such agencies are authorized, to the extent permitted by law, to honor the Committee's requests.

Sec. 6. Interdepartmental Task Force. The head of each agency within the Executive Branch shall designate persons responsible for reviewing the applicability of initiatives designed to promote full equality for American women, including recommendations of the 1977 National Women's Conference, to the agency's programs and policies. Persons so designated shall constitute the Interdepartmental Task Force, which shall consult regularly with the Committee. The President shall designate a person to chair the Task Force.

Sec. 7. Federal Advisory Committee Act Functions. Notwithstanding the provisions of any other Executive Order, the functions of the President under the Federal Advisory Committee Act (5 U.S.C. App. I) which are applicable to the Committee, except that of reporting annually to the Congress, shall be performed by the Secretary of Labor in accordance with guidelines and procedures established by the Administrator of General Services.

Sec. 8. Revocations. Executive Order No. 11126, as amended, and Executive Order No. 11832, as amended, are revoked.

A handwritten signature in dark ink, appearing to read "Jimmy Carter", is written over a horizontal line.

THE WHITE HOUSE,

ID 781554

~~THE WHITE HOUSE~~
~~WASHINGTON~~

DATE: 22 MAR 78

FOR ACTION: STU EIZENSTAT

BOB LIPSHUTZ ATTN:D.HURON

JIM MCINTYRE *nc*

- Doug : Friday ready

INFO ONLY: THE VICE PRESIDENT

HAM JORDAN

JACK WATSON

THE FIRST LADY *nc*

SUBJECT: ESTABLISHING ANATIONAL COMMISSION FOR WOMEN AND AN
INTERDEPARTMENTAL TASK FORCE BY EXECUTIVE ORDER

+++++
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
+ BY: IMME DI ATE TURNA RO UND +
+++++

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

THE WHITE HOUSE
WASHINGTON

do not
send
cc of staff
comments
out

Note

/	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
/	IMMEDIATE TURNAROUND

ACTION
FYI
Please complete ~~action on~~ processing
of the proposed E.O. as soon as
possible.

/	MONDALE	ENROLLED BILL
	COSTANZA	AGENCY REPORT
/	EIZENSTAT	CAB DECISION
/	JORDAN	EXECUTIVE ORDER
/	LIPSHUTZ <i>alt. D. Huron</i>	Comments due to
	MOORE	Carp/Huron within
	POWELL	48 hours; due to
/	WATSON	Staff Secretary
/	McINTYRE	next day
	SCHULTZE	

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
/	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	GAMMILL

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE WHITE HOUSE
WASHINGTON

March 16, 1978

*Held for
staff comment
J*

MEMORANDUM FOR: THE PRESIDENT

FROM: MARGARET COSTANZA

SUBJECT: Establishing a National Commission
for Women and an Interdepartmental
Task Force by Executive Order

The major points which establish both the necessity and the feasibility of establishing a National Commission for Women are set forth in this memorandum.

1. The Commission's business cannot possibly be completed by March 31, 1978, the date at which the Commission is presently scheduled to expire. Due to the tremendous success of the National Conference for Women in Houston, Texas, this past November, the Commission is heavily engaged in responding to public requests for information and assistance as to how to most effectively implement the Plan of Action adopted by the Conference. Much urgent business at the legislative, executive, judicial and administrative level is presently pending. The Commission cannot fulfill its mandate and respond to the legitimate demands of the American public in the remaining several weeks. The process is necessarily ongoing.
2. Minimal additional budget demands will be necessary. The Commission has monies remaining in its appropriation and privately raised funds to staff key personnel essential to the Commission's ongoing activities. This budget can be augmented by assistance, in terms of services, supplies, and personnel, from other agencies, as well as discretionary funds. See Executive Order 11832, Secs. 3, 4; Public Law 94-167, Secs. 2(b), 5(e); proposed Executive Order.
3. Establishment of this Commission would provide the President with valuable assistance as he responds to the official report of the Commission and submits his recommendations to the Congress with respect to those matters considered in the report. See Public Law 94-167, Sec. 7.
4. An inter-departmental task force of each agency and department of the federal government should be formally established by the amendment with direct accountability to the President. The President should appoint as Chair of such

a task force a member of his staff. The responsibility of such a task force would be to review the policies and programs of each agency to ensure compliance with the Plan of Action and to assess the impact of that department's functions on women. Precedent for an inter-departmental task force can be found in Executive Order 11823, Sec. 4; and Executive Order 11126, issued by President Johnson in November, 1963, in response to the report of the Kennedy Commission on the Status of Women.

5. The Commission would have some structural precedent in the outgoing Commission. Its functions, however, would be different. It would have as its specific action agenda the coordination of efforts, in the public and the private sector, to implement the National Plan of Action adopted at the Houston Conference.

6. The Commission should provide guidance to the participation of the United States in the United Nations Decade for Women. Participation in the Decade has been endorsed by the executive and legislative branches.

7. Failure to reappoint the Commission would result in a historic and catastrophic discontinuity in Presidential commitment to the concerns of women. It would be the first time since 1961 that no commission or advisory council, directly accountable to the President, was operational. To the public this could be interpreted as a retreat at the highest level of government, from a commitment to equality for women.

8. The current Commission assures us that the Department of Labor has made a firm offer to house a new commission and furnish administrative expenses and staff. There may also be the possibility of a similar arrangement with HEW.

APPROVE _____

DISAPPROVE _____

Attachment

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

21 March 1978

TO: THE PRESIDENT
FROM: RICK HUTCHESON *RH*
SUBJECT: Staff Comments on Midge's Memo

Eizenstat agrees with Midge that the Administration should create a Cabinet-level interdepartmental task force. "However, if you extend the life of the current Commission, as Midge suggests, you will be required to make a decision on reappointing the current Chairperson, Bella Abzug."

Stu suggests that before signing the draft Executive Order, you get the customary formal comments from OMB and the Cabinet. "This is especially critical in light of the demands on agency resources written into the draft Executive Order, and in light of the Congressional mandate that the IWY not be extended after March, 1978."

Stu's office will complete a status report on Administration action relative to the IWY Plan of Action by the end of the month.

Eizenstat recommends that you:

- delay signing the draft executive order until staff work is completed by OMB.
- reaffirm your commitment to women's issues and the goals of the IWY Plan of Action.
- move to establish a Cabinet-level interdepartmental task force on the status of women.
- not make a commitment to create a new Commission unless you want continuity of leadership (although you may want to create an advisory committee informally)

OMB has no objection to the Commission, but questions using the IWY Plan of Action as an agenda in view of the fact that DPS is currently studying these recommendations. OMB defers to DPS on the timing of creating a Commission.

OMB also:

- suggests that the draft Executive Order be revised to reflect various statutory restrictions on the provision of funding and support services, and to reflect more precisely the responsibilities of the Commission.
- questions whether the Commission should be given a two-year Charter pending further examination of its role.

Lipshutz recommends that you give preliminary approval to the Commission to implement those provisions of the IWY National Plan of Action which are adopted by the Administration. However, you should not give final approval until:

- the draft Executive Order is cleared by Justice and OMB.
- legal issues relating to funding of the Commission are settled. Although the Secretary of Labor has agreed to furnish logistical support for the Commission, such support may not be sufficient to permit the Commission to carry out the duties envisioned for it. Also, there are legal problems with Midge's suggestion that the Commission rely on money already appropriated for the IWY Commission or on privately raised funds.

DRAFT EXECUTIVE
ORDER FROM MIDGE

EXECUTIVE ORDER

Establishing a National Commission for Women

There is in this nation an increasing recognition of the contributions of women to all aspects of American life. Progress in achieving real equality for women in the cultural, social, economic and political life of the nation continues. All Americans must address themselves to the inequities that continue to handicap more than half of our citizens on the basis of their sex. Toward this end, the National Women's Conference in Houston, Texas, November 18-21, 1977, adopted a National Plan of Action with recommendations that seek to eliminate remaining discrimination by legislation, where laws do not presently provide adequate protection; by vigorous enforcement of already existing laws; and by the appointment and election of women to policy-making offices and positions in which women are traditionally underrepresented or totally absent.

The United Nations General Assembly has proclaimed 1975-1985 to be the United Nations Decade for Women, Equality, Development and Peace. During this Decade, the people of the United States, as well as the other member nations of the United Nations, are called upon to focus attention on the rights and responsibilities of women. Congress has also approved this nation's participation in the Decade by authorizing funds for participation in the observance and related activities.

I have determined that it would be in the public interest to establish a National Commission for Women.

Now, therefore, by virtue of the authority vested in me as President of the United States, it is ordered:

Section 1. Establishment of a National Commission.

(a) There is hereby established a National Commission for Women.

(b) The Commission shall consist of not more than 40 members to be appointed by the President. The President shall designate the presiding officer, who may designate from among the members of the Commission an Executive Committee.

(c) The President of the Senate and the Speaker of the House of Representatives are invited to designate two members of each House to serve on the Commission.

(d) The members of the Commission shall serve without compensation but shall be entitled to receive travel expenses, including per diem, in lieu of subsistence as authorized by law (5 U.S.C. 5703).

Section 2. Functions of the Commission.

(a) The Commission shall promote the national observance of the United Nations Decade for Women, Equality, Development and Peace. To this end, it shall focus attention on the need to encourage appropriate cooperative activity in the area of women's rights and responsibilities.

(b) The Commission shall take as its action agenda the National Plan of Action which consists of the recommendations adopted by the delegates to the National Women's Conference in Houston, Texas, November 18-21, 1977. The Commission shall have the following responsibilities regarding the Plan of Action:

(1) Coordination with an Interdepartmental Task Force on Women consisting of representatives from each agency of the Executive Branch to evaluate the impact of pertinent provisions of the National Plan of Action on that agency's programmatic and policy responsibilities.

(2) Disseminating information to the public on developments in the Executive, Legislative, and Judicial Branches that pertain to the resolutions contained in the National Plan of Action.

(3) Providing a liaison between governmental agencies and their public advisory committees and private non-governmental organizations to ensure cooperation on issues of concern to women.

(c) The Commission shall advise the President on a regular basis of new initiatives that may be needed in the legislative, executive, and judicial arenas to remove remaining obstacles to the full equality of American women.

(d) The Commission shall provide expert advice and assistance to the Executive, Legislative and Judicial Branches on those issues addressed in the National Plan of Action as well as additional issues affecting the status of women in American society.

Section 3. Commission Procedures.

(a) The Commission shall hold meetings at such times and places as the Commission shall determine.

(b) The Commission may establish, within the limits of available funds, such subcommittees or working groups as may be necessary for the fulfillment of its tasks. Their membership may include persons not members of the Commission.

(c) The Commission shall establish such regulations as are necessary to carry out its responsibilities.

(d) The Commission shall, from time to time, furnish reports to the President.

(e) The Commission shall conclude its work by March 31, 1980, and make a report to the President.

Section 4. Assistance and Cooperation.

(a) The Commission may request any agency of the Executive branch of the Government to furnish it with such information, advice, and services as may be useful for the fulfillment of the Commission's functions under this Order.

(b) The agencies of the Executive branch are authorized, to the extent permitted by law, to provide the Commission with administrative services, information, facilities and funds necessary for its activities.

(c) The Commission may procure, subject to the availability of funds, the temporary professional services of individuals to assist in its work, in accordance with the provisions of Section 3109 of Title 5 of the United States Code.

Section 5. Interdepartmental Task Force.

Each department of the Executive Branch shall designate persons to be responsible for assessing the programs and policies of that agency to determine the applicability of recommendations in the National Plan of Action to that agency's functions and how the recommendations can be implemented. Persons so designated shall constitute the Interdepartmental Task Force. The President shall designate a person to serve as Chair of the Interdepartmental Task Force. The task force will coordinate the activities undertaken by the Executive branch of the United States government.

Section 6. Federal Advisory Committee Act Functions: Notwithstanding the provisions of any other Executive Order, the functions of the President under the Federal Advisory Committee Act (5 U.S.C. app. I), except that of reporting annually to the Congress, which are applicable to the Commission, shall be performed by the

in accordance with the guidelines and procedures

established by the Office of Management and Budget.

Section 7. Revoke E.O. 11126.

THE WHITE HOUSE
WASHINGTON

RETURN TO RICK HUTCHESON

The First Lady has met with
Stu Eizenstat on this subject
and has no further comments
at this time.

M. MacBean
3/22/78

WASHINGTON

DATE: 22 MAR 78

FOR ACTION: STU EIZENSTAT

BOB LIPSHUTZ ATTN:D.HURON

JIM MCINTYRE

INFO ONLY: THE VICE PRESIDENT

HAM JORDAN

JACK WATSON

THE FIRST LADY

SUBJECT: ESTABLISHING ANATIONAL COMMISSION FOR WOMEN AND AN
INTERDEPARTMENTAL TASK FORCE BY EXECUTIVE ORDER

+++++
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
+ BY: IMME DI ATE TURNA RO UND +
+++++

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

5/3/27

THE WHITE HOUSE
WASHINGTON

March 28, 1978

Stu Eizenstat
Jim McIntyre
Bob Lipshutz

The attached was returned in the President's outbox today and is forwarded to you for your information. The signed original has been given to Bob Linder for appropriate handling.

Rick Hutcheson

cc: Bob Linder

PROPOSED EO RELATING TO THE
TRANSFER OF TELECOMMUNICATION
FUNCTIONS

THE WHITE HOUSE
WASHINGTON

March 27, 1978

Q

MEMORANDUM FOR THE PRESIDENT

FROM:

Stu Eizenstat ^{by Res. N.}
Jim McIntyre ^{for}
Bob Lipshutz ^{RL}

SUBJECT:

Proposed Executive Order Relating
to the Transfer of Telecommunication
Functions

Pursuant to your direction, we have been reviewing this proposed order with representatives of the National Security Council, Department of Defense, and Department of Commerce.

Following are the matters on which there has not been a consensus, along with suggested options and the positions of the parties involved.

With reference to paragraph 8(o), the Department of Commerce recommends that this be left in its present form. All of the other parties, including the three of us, recommend that it be deleted and that in lieu thereof a new sub-paragraph 12(c) be added to read as follows:

"12(c) - The Director, Office of Science and Technology Policy, shall prepare Presidential Policy Options with respect to the evaluation by appropriate means, including suitable tests of the capability of the existing and planned telecommunications systems to meet national security and emergency preparedness requirements, and report the results and any recommended remedial actions to the President and the National Security Council."

Approve 8(o)
(Recommended by Commerce)

Approve 12(c) ✓
(Recommended by McIntyre, Eizenstat, Lipshutz,
NSC and Defense)

J

With reference to sub-paragraph 8(p), Defense wishes to delete this sub-paragraph. All of the other parties disagree. There are two versions of this sub-paragraph submitted to you, which vary slightly in their language.

Approve deletion _____
(Recommended by Defense)

Disapprove deletion ✓
(Recommended by McIntyre, Eizenstat, Lipshutz, NSC, and Commerce)

Assuming that you do not wish to delete this sub-paragraph, the two suggested alternatives as to the language are as follows:

"8(p) - The Secretary of Commerce shall participate with the National Security Council and the Director of the Office of Telecommunications Policy in carrying out their functions under Sections 12, 13, and 14 of this Order and may perform specific staff services as requested."

This language is recommended by all of us except Defense and NSC.

Approve ✓ Disapprove _____
(Recommended by McIntyre, (Recommended by Defense & NSC)
Eizenstat, Lipshutz, Commerce)
Should you agree to leave in a sub-paragraph 8(p), Defense and NSC prefer that the initial phrase, "The Secretary of Commerce shall participate...." be changed to read, "The Secretary of Commerce may participate, as requested...."

All of the rest of us recommend against this version.

Approve _____
(Defense and NSC recommend)

Disapprove _____
(McIntyre, Eizenstat, Lipshutz and Commerce recommend)

With reference to Section 16, there are two proposed changes:

The Secretary of Commerce shall participate, as appropriate, in evaluating the capacity of telecommunication resources, in recommending remedial actions, and in developing policy actions.

Approve ✓
(Recommended by McIntyre, Eizenstat, Lipshutz, NSC and Commerce)

Disapprove _____
(Recommended by Defense)

Defense recommends that Section 16 read as follows:

The Secretary of Commerce shall participate with other agencies, as appropriate, in the development of Presidential telecommunication policy options.

Approve _____
(Recommended by Defense)

Disapprove ✓
(Recommended by McIntyre, Eizenstat, Lipshutz, NSC and Commerce, further the Department of Justice believes that this version could render the Order illegal)

THE WHITE HOUSE
WASHINGTON

Held for revised
version of E.O.

THE WHITE HOUSE

WASHINGTON

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: THE PRESIDENT

FROM: STU EIZENSTAT *Stu*
BOB LIPSHUTZ *Bob*
JIM MCINTYRE *Jim*

SUBJECT: Executive Order on Abolition
of Office of Telecommunications
Policy (OTP)

We are attaching for your signature a proposed Executive Order to implement the portion of the EOP Reorganization Plan that deals with OTP. Under the Plan, this Order must be signed by April 1.

OTP is the principal Executive Branch policy-making entity on telecommunications matters. The Reorganization Plan reflected your decision to abolish it and transfer most of its functions to the Commerce Department. The only functions to be retained in the EOP were:

- (1) staff work for you on key policy matters (to DPS and NSC);
- (2) oversight of agencies' use of telecommunications systems (to OMB); and
- (3) disposition of agencies' appeals from Commerce's assignments of radio frequencies (to OMB).

At the Hill's request, the Plan was amended to group the first two items under the rubric of "preparation of Presidential policy options" and to state that those functions could not be redelegated outside the EOP. There was no indication that this was meant as a substantive change. However, just before the Plan went into effect, Brooks' Committee issued a startling report, which said that the Plan as amended made OMB the lead agency for telecommunications policy, with Commerce to play a minor, support role. The Senate report, on the other hand, was consistent with your decision.

Brooks argued that because some telecommunications matters cut across agency lines, the policy focus should be in OMB,

not a line department. It may also be relevant that Brooks' Committee has jurisdiction over OMB and not over Commerce. Brooks insisted that the implementing Executive Order -- which would spell out the division of OTP functions -- be written his way. He threatened that otherwise he would oppose one or more future Reorganization Plans.

After the Plan became effective, DOD, State and GSA weighed in, to complain that Commerce should not be placed over them on telecommunications matters.

Some of the problems stemmed from the extremely ambiguous language of the 1970 Executive Order that created OTP. That Order can be read to give OTP powers over other agencies that it has not exercised and that were not intended to go to Commerce. After consultations with the Hill and the agencies, the attached Order was drafted. It clarifies the functions being transferred without departing from the Plan or your basic decision. In response to Brooks' concerns, it makes clear that OMB will set policy regarding the procurement and management of Federal agencies' telecommunications systems.

The Commerce Department and its supporters -- Senators Ribicoff (Chairman of the Government Affairs Committee) and Hollings (Chairman of the Communications Subcommittee) -- are concerned about any changes from the 1970 Order but are willing to accept the new Order. However, two objections remain:

(1) Brooks still wants to expand OMB's role and diminish Commerce's, and he has sent you a letter to that effect (Tab A). We think the changes he is requesting are inconsistent with your decision and with the Plan so we recommend that you not change the Order.

Approve _____ Disapprove ✓

(2) Secretary Brown opposes giving Commerce OTP's functions of evaluating and testing national security and emergency preparedness telecommunications systems. Defense argues that it does such evaluations and that it would be duplicative and troublesome to have to submit to evaluations by a sister department.

Secretary Brown spells out his views in more detail at Tab B.

Commerce disagrees. It argues that this function involves only studies, not control; that Commerce would not do duplicative studies; that civilian oversight is desirable (especially for DOD's emergency systems that can take over the private TV and telephone systems); and that any conflict can be resolved by the NSC, which is given policy control over the whole area.

While there is merit to both sides, we think it would be undesirable for legal and political reasons to change the Order to keep this function in the EOP. Under the Plan, only "the preparation of Presidential policy options" and disposition of frequency appeals may be retained in the EOP. All other functions must go to Commerce; none can be deleted. The function at issue is not "Presidential." It is an operational function of the type your EOP Reorganization was designed to transfer out.

Moreover, Senators Ribicoff and Hollings feel that it would be unlawful to keep any part of this function in the EOP. They argue that it is clearly not "Presidential" and that it is one of the functions they were told the Plan would transfer to Commerce.

The original EOP study did not fully analyze this function. We therefore recommend that OMB conduct a three week study -- with Defense and Commerce participation -- and that any recommended changes be included in the Emergency Preparedness Reorganization Plan (slated for submission this spring). That approach makes it possible to change the function -- if change is needed -- without the legal or political problems posed by changing this Order.

Approve _____ Disapprove _____

We recommend that you sign the Order (at the Signature Tab).

We also recommend issuing a statement (at Tab C) to make it clear that the abolition of OTP is not intended to downgrade communications policy, as some have charged.

Approve ✓ _____ Disapprove _____

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NINETY-FIFTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON GOVERNMENT OPERATIONS**2157 Rayburn House Office Building****Washington, D.C. 20515****March 22, 1978****MINORITY MEMBERS**

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MAJORITY—225-5051
 MINORITY—225-5074

The Honorable Jimmy Carter
 The President
 The White House
 Washington, D. C. 20500

Dear Mr. President:

I have had an opportunity to review the draft executive order which relates to the transfer of telecommunications functions pursuant to Reorganization Plan No. 1 of 1977.

While I find that major segments of the draft order are in keeping with the letter and spirit of the reorganization plan, there are two aspects of the order which may be objectionable from a legal and managerial standpoint, depending upon the interpretation of key provisions of the order.

Section 5B of the reorganization plan was amended by you, at the Committee's request, in order to specifically confer upon the President

"the preparation of Presidential telecommunications policy options including but not limited to those related to the procurement and management of Federal telecommunications systems, national security, and emergency matters."

Such authority may be delegated by the President only within the Executive Office of the President.

As pointed out in the Committee's report accompanying the reorganization plan, effective management of telecommunications functions within the Federal government requires that there be "only one voice in the Executive establishment charged with making information policy, especially as that relates to ADP and telecommunications." Under Public Law 89-306 and other legislative directives, OMB is mandated to exercise such authority. This authority is not altered by the reorganization plan. In fact, the plan was amended to clarify that all policymaking authority was to be centralized within a single entity.

March 22, 1978

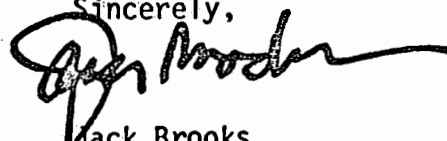
The draft executive order, unfortunately, does not clearly adhere to the requirements of the reorganization plan. Specifically, Section 8(e), (f), and (g) and Section 16 appear to confer upon the Secretary of Commerce a policymaking role which is not provided for in the plan. Similarly, Section 10(a) appears to limit the responsibility of the Office of Management and Budget to that of serving as the principal adviser on "procurement and management" of telecommunications systems including the development and establishment of policies on these two factors. Such limitation, if such is intended, is, of course, inconsistent with the amended plan. While the plan, as originally proposed, could have been interpreted as limiting OMB's role to these two functions, the amendment was submitted for the purpose of clarifying that the plan was intended to confer an all-encompassing policymaking role upon OMB or another appropriate forum in EOP.

The draft executive order may also be deficient in establishing an efficient management structure for Federal information policies. Under Public Law 89-306 and other authority, the General Services Administration is directed to exercise a central managerial role within the Government relating to ADP and telecommunications. In its own right, the Department of Defense has a comparable role. In spite of these ongoing managerial roles, Section 8(d), (f), and (g) of the draft plan could be interpreted as conferring upon the Secretary of Commerce a predominant (lead-agency) role in the Federal telecommunications area. This could cause a direct conflict with the managerial responsibilities conferred upon GSA and OMB under Public Law 89-306.

If the draft executive order is intended to confer a policymaking role upon the Department of Commerce and to grant it a lead-agency managerial role, as that relates to Federal ADP and telecommunications resources, may I respectfully suggest that such be eliminated in a revised draft; the policymaking role because it would conflict with the reorganization plan, the lead-agency role because it could cause divided managerial responsibility and administrative inefficiency. If, on the other hand, it is not intended that the draft executive order confer these two roles upon the Department of Commerce, then I believe it would be helpful if the relevant provisions of the draft order were revised in order that future managerial conflicts can be avoided.

With sincere appreciation for your consideration of these issues, I
am

Sincerely,



Jack Brooks
Chairman

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MEMORANDUM

THE WHITE HOUSE

WASHINGTON

March 27, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: ZBIGNIEW BRZEZINSKI .
SUBJECT: The Secretary of Defense's Objections to the
Executive Order on Telecommunications

Harold Brown has sent you a memorandum urging you not to sign the Executive Order on the transfer of telecommunications function in its present form. (Attached)

The crux of Harold Brown's complaint is that Commerce is inserted into a number of national security telecommunications functions in a way that is not helpful and positively harmful. Harold and Charles Duncan have been making this point since last fall.

Harold is recommending that a few changes in the Executive Order which can be legally made and will resolve the matter. Neither the House nor Senate Governmental Affairs Committee could object. It is difficult to see any virtue in Commerce's involvement in the National Security decision-making process where it can be avoided.

I believe that you should give Harold's concern a close reading.



THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

24 MAR 1978

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Draft Executive Order on Telecommunications Functions

I am greatly troubled by certain aspects of a draft Executive Order which is being prepared for your signature by the President's Reorganization Project (PRP).

As drafted the Executive Order would retain the Presidential policy functions for "national security and emergency matters" in the White House. I have no objection to that aspect of it. However, Section 8 of the draft would transfer to the Secretary of Commerce broad powers relating to the procurement and management of federal telecommunications systems (including those of national security agencies such as Defense), the formulation of policies relating to "...interoperability, privacy, security, spectrum use and emergency readiness," and the evaluation and testing of national security and emergency preparedness communications systems. In addition, the draft would insert the Secretary of Commerce in the decision-making chain on matters relating to exercise of the Presidential war powers in the Communications Act of 1934, the direction of the National Communications System, and the mobilization and use of the Nation's resources in time of emergency.

The management arrangements as revised in the draft Executive Order are not consistent with my responsibilities as Secretary of Defense and Executive Agent of the National Communications System. National Security decision-making is not a function of the Department of Commerce. Arrangements that so provide would be a departure from accepted practice which could seriously and adversely affect the defense and preparedness of the country.

Despite several letters from Charles Duncan and others pointing out these objectionable features, and discussions with the PRP staff, the final version still retains the elements discussed above. I have mentioned the problem to Jim McIntyre, but he has not had time to be briefed on the details.

I urge you not to sign the Executive Order as now prepared unless changes are made in Section 8 to correct the above deficiencies. I have prepared a change to the draft which corrects these specific

problems, leaving the rest of the reorganization intact. My General Counsel finds these changes to be legally acceptable under the Reorganization Plan. We can submit it for Attorney General approval and have it ready for your signature before the March 31 deadline.

Harold Brown

cc: Secretary of Commerce
Director, OMB

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Statement by the President

I am today signing an Executive Order to implement the portion of my Executive Office Reorganization Plan that abolishes the Office of Telecommunications Policy. While reducing the size of the Executive Office, this reorganization will enhance the Administration's ability to exercise leadership in communications policy.

Advances in communications are having a tremendous effect on the way people live. Developments in computers, satellites, electronic funds transfers, electronic mail, mobile radios, and cable TV will change many aspects of our daily lives. These changes pose important choices for our country.

The Office of Telecommunications Policy was never equipped to play a strong role in this debate. Now, for the first time, communications policy will be handled at the Cabinet level.

The Commerce Department will take the lead in conducting research, developing policy proposals, and representing the Administration before Congress and the Federal Communications Commission. Commerce will also assign frequencies for the Federal Government's radio stations.

Some functions have been kept in the Executive Office because they could not be performed effectively in a line agency. The Office of Management and Budget will set policy for procurement and management of the Government's telecommunications systems and will decide appeals from Commerce's frequency assignments. The National Security Council and the Office of Science and Technology Policy will handle certain national security and emergency preparedness policy functions. The Domestic Policy Staff will keep me informed on communications developments.

I am pleased to have nominated a talented expert, Henry Geller, to handle Commerce's responsibilities. He will hold the new position of Assistant Secretary for Communications and Information.

EXECUTIVE ORDER

RELATING TO THE TRANSFER OF TELECOMMUNICATIONS FUNCTIONS

By virtue of the authority vested in me by the Constitution and laws of the United States of America, including Section 7 of Reorganization Plan No. 1 of 1977 (42 F.R. 56101 (October 21, 1977)), the authority and control vested in the President by Section 2 of Executive Order No. 11556, as amended, Section 202 of the Budget and Accounting Procedures Act of 1950 (31 U.S.C. 581c), and Section 301 of Title 3 of the United States Code, and as President of the United States of America, in order to provide for the transfer of certain telecommunications functions, it is hereby ordered as follows:

SECTION 1

REORGANIZATION PLAN

1-1. Implementation of Reorganization Plan.

1-101. The transfer of all the functions of the Office of Telecommunications Policy and of its Director, as provided by Section 5B of Reorganization Plan No. 1 of 1977 (42 F.R. 56101), is hereby effective.

1-201. The abolition of the Office of Telecommunications Policy, as provided by Section 3C of Reorganization Plan No. 1 of 1977, is hereby effective.

1-301. The establishment of an Assistant Secretary for Communications and Information, Department of Commerce, as provided by Section 4 of Reorganization Plan No. 1 of 1977, is hereby effective.

1-2. Telecommunications Function.

1-201. Prior to the effective date of reorganization Plan No. 1 of 1977, the Office of Telecommunications Policy and its Director had the functions set forth or referenced by: (1) Section 1 of Reorganization Plan No. 1 of 1970 (5 U.S.C. App. II), (2) Executive Order No. 11556 of September 4, 1970, as amended (47 U.S.C. note), (3) Executive Order No. 11191 of January 4, 1965, as amended (47 U.S.C. 721 note), (4) Executive Order No. 10705 of April 17, 1957, as amended (47 U.S.C. 606 note), and (5) Presidential Memorandum of August 21, 1963, as amended by Executive Order No. 11556 and entitled "Establishment of the National Communications System."

1-202. So much of those functions which relate to the preparation of Presidential telecommunications policy options or to the disposition of appeals from assignments of radio frequencies to stations of the United States Government were transferred to the President. These functions may be delegated within the Executive Office of the President and the delegations are set forth in this Order at Sections 3-1 through 4-3.

1-203. Those telecommunications functions which were not transferred to the President were transferred to the Secretary of Commerce. Functions transferred to the Secretary are set forth in this Order at Sections 2-1 through 2-5.

SECTION 2

FUNCTIONS TRANSFERRED TO COMMERCE

2-1. Radio Frequencies.

2-101. The authority of the President to assign frequencies to radio stations or to classes of radio stations belonging to and operated by the United States, including the authority to amend, modify, or revoke such assignments, was transferred to the Secretary of Commerce.

2-102. This authority, which was originally vested in the President by Section 305(a) of the Communications Act of 1934, as amended (47 U.S.C. 305(a)), was transferred and assigned to the Director of the Office of Telecommunications Policy by Section 1 of Reorganization Plan No. 1 of 1970 and Section 3 of Executive Order No. 11556.

2-103. The authority to assign frequencies to radio stations is subject to the authority to dispose of appeals from frequency assignments as set forth in Section 3-2 of this Order.

2-2. Construction of Radio Stations.

2-201. The authority to authorize a foreign government to construct and operate a radio station at the seat of government of the United States was transferred to the Secretary of Commerce. Authorization for the construction and operation of a radio station pursuant to this authority and the assignment of a frequency for its use can be made only upon recommendation of the Secretary of State and after consultation with the Attorney General and the Chairman of the Federal Communications Commission.

2-202. This authority, which was originally vested in the President by Section 305(d) of the Communications

Act of 1934, as amended (47 U.S.C. 305)), was delegated to the Director of the Office of Telecommunications Policy by Section 5 of Executive Order No. 11556.

2-3. Communications Satellite System.

2-301. Certain functions relating to the communications satellite system were transferred to the Secretary of Commerce. Those functions were delegated or assigned to the Director of the Office of Telecommunications Policy by Executive Order No. 11191, as amended by Executive Order No. 11556. The functions include authority vested in the President by Section 201(a) of the Communications Satellite Act of 1962 (76 Stat. 421, 47 U.S.C. 721(a)). These functions are specifically set forth in the following provisions of this Section.

(a) Aid in the planning and development of the commercial communications satellite system and aid in the execution of a national program for the operation of such a system.

(b) Conduct a continuous review of all phases of the development and operation of such system, including the activities of the Corporation.

(c) Coordinate, in consultation with the Secretary of State, the activities of governmental agencies with responsibilities in the field of telecommunications, so as to insure that there is full and effective compliance at all times with the policies set forth in the Act.

(d) Make recommendations to the President and others as appropriate, with respect to all steps necessary

to insure the availability and appropriate utilization of the communications satellite system for general government purposes in consonance with Section 201(a)(6) of the Act.

(e) Help attain coordinated and efficient use of the electromagnetic spectrum and the technical compatibility of the communications satellite system with existing communications facilities both in the United States and abroad.

(f) Assist in the preparation of Presidential action documents for consideration by the President as may be appropriate under Section 201(a) of the Act, make necessary recommendations to the President in connection therewith, and keep the President currently informed with respect to the carrying out of the Act.

(g) Serve as the chief point of liaison between the President and the Corporation.

(h) The Secretary of Commerce shall timely submit to the President each year the report (including evaluations and recommendations) provided for in Section 404(a) of the Act (47 U.S.C. 744(a)).

(i) The Secretary of Commerce shall coordinate the performance of these functions with the Secretary of State. The Corporation and other concerned Executive agencies shall provide the Secretary of Commerce with such assistance, documents, and other cooperation as will enable the Secretary to carry out these functions.

2-4. Other Telecommunications Functions. Certain functions assigned, subject to the authority and control of the President to the Director of the Office of Telecommunications Policy by Section 2 of Executive Order No. 11556 were transferred to the Secretary of Commerce. These functions, subject to the authority and control of the President, are set forth in the following subsections.

2-401. The Secretary of Commerce shall serve as the President's principal adviser on telecommunications policies pertaining to the Nation's economic and technological advancement and to the regulation of the telecommunications industry.

2-402. The Secretary of Commerce shall advise the Director of the Office of Management and Budget on the development of policies relating to the procurement and management of Federal telecommunications systems.

2-403. The Secretary of Commerce shall conduct studies and evaluations concerning telecommunications research and development, and concerning the initiation, improvement, expansion, testing, operation, and use of Federal telecommunications systems. The Secretary shall advise appropriate agencies, including the Office of Management and Budget, of the recommendations which result from such studies and evaluations.

2-404. The Secretary of Commerce shall develop and set forth, in coordination with the Secretary of State and other interested agencies, plans, policies, and programs which relate to international telecommunications issues, conferences, and negotiations. The Secretary of Commerce shall coordinate economic,

technical, operational and related preparations for United States participation in international telecommunications conferences and negotiations. The Secretary shall provide advice and assistance to the Secretary of State on international telecommunications policies to strengthen the position and serve the best interests of the United States, in support of the Secretary of State's responsibility for the conduct of foreign affairs.

2-405. The Secretary of Commerce shall provide for the coordination of the telecommunications activities of the Executive Branch, and shall assist in the formulation of policies and standards for those activities, including but not limited to considerations of interoperability, privacy, security, spectrum use and emergency readiness.

2-406. The Secretary of Commerce shall develop and set forth telecommunications policies pertaining to the Nation's economic and technological advancement and to the regulation of the telecommunications industry.

2-407. The Secretary of Commerce shall ensure that the Executive Branch views on telecommunications matters are effectively presented to the Federal Communications Commission and, in coordination with the Director of the Office of Management and Budget, to the Congress.

2-408. The Secretary of Commerce shall establish policies concerning spectrum assignments and use by radio stations belonging to and operated by the United States. Agencies shall consult with the Secretary of Commerce to ensure that their conduct of telecommunications activities is consistent with those policies.

2-409. The Secretary of Commerce shall develop,

in cooperation with the Federal Communications Commission, a comprehensive long-range plan for improved management of all electromagnetic spectrum resources.

2-410. The Secretary of Commerce shall conduct studies and make recommendations concerning the impact of the convergence of computer and communications technology.

2-411. The Secretary of Commerce shall coordinate Federal telecommunications assistance to State and local governments.

2-412. The Secretary of Commerce shall conduct and coordinate economic and technical analyses of telecommunications policies, activities, and opportunities in support of assigned responsibilities.

2-413. The Secretary of Commerce shall contract for studies and reports related to any aspect of assigned responsibilities.

2-414. The Secretary of Commerce shall participate with the National Security Council and the Director of the Office of Science and Technology Policy in carrying out their functions under Sections 4-1, 4-2, and 4-3 of this Order, and may perform specific staff services for them as requested.

2-5. Consultation Responsibilities.

2-501. The authority to establish coordinating committees, as assigned to the Director of the Office of Telecommunications Policy by Section 10 of Executive Order No. 11556, was transferred to the Secretary of Commerce.

2-502. As permitted by law, the Secretary of Commerce shall establish such interagency committees and working groups composed of representatives of

interested agencies, and shall consult with such departments and agencies as may be necessary for the most effective performance of his functions. To the extent he deems it necessary to continue the Interdepartment Radio Advisory Committee, that Committee shall serve in an advisory capacity to the Secretary. As permitted by law, the Secretary also shall establish one or more telecommunications advisory committees composed of experts in the telecommunications area outside the Government.

SECTION 3

FUNCTIONS ASSIGNED TO THE OFFICE OF MANAGEMENT AND BUDGET

3-1. Telecommunications Procurement and Management.

3-101. The responsibility for serving as the President's principal adviser on procurement and the responsibility for developing and establishing policies for procurement and management of such systems, which responsibilities were assigned to the Director of the Office of Telecommunications Policy subject to the authority and control of the President by Section 2(b) of Executive Order No. 11556, were transferred to the President.

3-102. These functions are delegated to the Director of the Office of Management and Budget.

3-2. Radio Frequency Appeals.

3-201. The authority to make final disposition of appeals from frequency assignments by the Secretary of Commerce for radio stations belonging to and operated by the United States, which authority was vested in the President by Section 305(a) of the Communications Act of 1934 (47 U.S.C. 305(a)) and transferred to the

Director of the Office of Telecommunications Policy by Reorganization Plan No. 1 of 1970 (5 U.S.C. App. II), was transferred to the President.

3-202. This function is delegated to the Director of the Office of Management and Budget.

SECTION 4

FUNCTIONS ASSIGNED TO THE NATIONAL SECURITY COUNCIL AND THE OFFICE OF SCIENCE AND TECHNOLOGY POLICY

4-1. Emergency Functions.

4-101. The war power functions of the President under Section 606 of the Communications Act of 1934, as amended (47 U.S.C. 606), which were delegated to the Director of the Office of Telecommunications Policy by the provisions of Section 4 of Executive Order No. 10705, were transferred to the President.

4-102. The Director of the Office of Science and Technology Policy shall prepare to direct the exercise of these functions, and the National Security Council shall prepare to exercise appropriate policy direction, should the President so instruct. These instructions would be given in accordance with the National Emergencies Act (90 Stat. 1255, 50 U.S.C. 1601).

4-103. The Director of the Office of Science and Technology Policy shall prepare Presidential policy options with respect to the evaluation by appropriate means, including suitable tests, of the capability of existing and planned communications systems to meet national security and emergency preparedness requirements, and report the results and any recommended remedial actions to the President and the National Security Council.

4-2. National Communications System.

4-201. The responsibility for policy direction of the development and operation of a National Communications System, which was assigned to the Director of the Office of Telecommunications Policy by the Presidential Memorandum of August 21, 1963, as amended by Executive Order No. 11556, was transferred to the President.

4-202. The function is more particularly identified, and is delegated to the National Security Council, in the amendments made by Section 6-101 of this Order to the President's Memorandum of August 21, 1963.

4-3. Planning Functions.

4-301. The function of coordinating the development of policy, plans, programs, and standards for the mobilization and use of the Nation's telecommunications resources in any emergency, which function was assigned to the Director of the Office of Telecommunications Policy subject to the authority and control of the President by Section 2(h) of Executive Order No. 11556, was transferred to the President.

4-302. The National Security Council shall assist the President in the performance of this function.

SECTION 5

RELATED TELECOMMUNICATIONS FUNCTIONS

5-1. The Department of Commerce.

5-101. The Secretary of Commerce shall continue to perform the following functions previously assigned by Section 13 of Executive Order No. 11556:

(a) Perform analysis, engineering, and administrative functions, including the maintenance of

necessary files and data bases, as necessary in the performance of assigned responsibilities for the management of electromagnetic spectrum.

(b) Conduct research and analysis of electromagnetic propagation, radio systems characteristics, and operating techniques affecting the utilization of the electromagnetic spectrum in coordination with specialized, related research and analysis performed by other Federal agencies in their areas of responsibility.

(c) Conduct research and analysis in the general field of telecommunications sciences in support of assigned functions and in support of other Government agencies.

5-102. The Secretary of Commerce shall participate, as appropriate, in evaluating the capability of telecommunications resources, in recommending remedial actions, and in developing policy options.

5-2. Department of State.

5-201. With respect to telecommunications, the Secretary of State shall exercise primary authority for the conduct of foreign policy, including the determination of United States positions and the conduct of United States participation in negotiations with foreign governments and international bodies. In exercising this responsibility the Secretary of State shall coordinate with other agencies as appropriate, and, in particular, shall give full consideration to the Federal Communications Commission's regulatory and policy responsibility in this area.

5-202. The Secretary of State shall continue to perform the following functions previously assigned by Executive Order No. 11191, as amended:

(a) Exercise the supervision provided for in Section 201(a)(4) of the Communications Satellite Act of 1962, as amended (47 U.S.C. 721(a)(4)); be responsible, although the Secretary of Commerce is the chief point of liaison, for instructing the Communications Satellite Corporation in its role as the designated United States representative to the International Telecommunications Satellite Organization; and direct the foreign relations of the United States with respect to actions under the Communications Satellite Act of 1962, as amended.

(b) Coordinate, in accordance with the applicable interagency agreements, the performance of these functions with the Secretary of Commerce, the Federal Communications Commission, other concerned Executive agencies, and the Communications Satellite Corporation (see 47 U.S.C. 731-735). The Corporation and other concerned Executive agencies shall provide the Secretary of State with such assistance, documents, and other cooperation as will enable the Secretary to carry out these functions.

5-5. General Services Administration. The Administrator of General Services shall coordinate with the Secretary of Commerce, the Director of the Office of Science and Technology Policy, and the National Security Council the development of policies, plans, programs, and standards for the emergency use of telecommunications.

SECTION 6

GENERAL PROVISIONS

6-1. Transfer Provisions.

6-101. In order to reflect the transfer and assignment made by Section 5B of Reorganization Plan No. 1 of 1977 and Section 13 of this Order, the President's Memorandum of August 21, 1963, entitled "Establishment of the National Communications System" (28 F.R. 9413, 3 C.F.R. 1959-1963 Compilation) as amended by Section 8 of Executive Order No. 11556, is further amended as follows:

(a) Delete the first paragraph after the heading "Executive Office Responsibilities" and substitute therefor:

"The National Security Council shall be responsible for Presidential policy options concerning the development and operation of the National Communications System (NCS) and shall:".

(b) Delete the last two paragraphs in that part of the memo headed "Executive Office Responsibilities" and substitute therefor:

"In performing these functions, the National Security Council will consult with the Secretary of Commerce, the Director of the Office of Management and Budget, the Director of the Office of Science and Technology Policy, and the Administrator of General Services, as appropriate; will establish arrangements for interagency consultation to ensure that the NSC will meet

work formerly done by the Subcommittee on Communications of the Executive Committee of the National Security Council. In addition to staff regularly assigned, the National Security Council and the Director of the Office of Science and Technology Policy may arrange for the detail or temporary assignment of communications and other specialists from any agency.

"The Director of the Office of Management and Budget, in consultation with the National Security Council, the Secretary of Commerce, the Administrator of General Services, and the Executive Agent of the NCS, will prescribe general guidelines and procedures for reviewing the financing of the NCS within the budgetary process and for preparation of budget estimates by participating agencies."

(c) In the paragraph after the heading "Agency Responsibilities", delete "Director of the Office of Telecommunications Policy" and substitute therefor "National Security Council."

6-102. The primary responsibility for performing all administrative support and service functions that are related to functions transferred from the Office of Telecommunications Policy and its Director to the President, including those functions delegated or assigned within the Executive Office of the President, are transferred to the Office of Administration. The Domestic Policy Staff shall perform such functions

related to the preparation of Presidential telecommunications policy options as the President may from time to time direct.

6-103. The records, property, personnel, and unexpended balances of appropriations, available or to be made available, which relate to the functions transferred, assigned, or delegated as provided in this Order are hereby transferred as appropriate.

6-104. The Director of the Office of Management and Budget shall make such determinations, issue such orders, and take all actions necessary or appropriate to effectuate the transfers or reassignments provided in this Order, including the transfer of funds, records, property, and personnel.

6-2. Amendments. In order to reflect the transfers provided by this Order, the following conforming amendments and revocations are ordered:

6-201. Section 306 of Executive Order No. 11051, as amended, is further amended to read:

"Sec. 306. Emergency telecommunications. The Administrator of General Services shall be responsible for coordinating with the National Security Council in planning for the mobilization of the Nation's telecommunications resources in time of national emergency."

6-202. Executive Order No. 11490, as amended is further amended by:

(1) substituting "National Security Council" for "Office of Telecommunications Policy (35 F.R. 6421)" in Section 401(27), and

(2) substituting the number of this Order for "11556" and deleting references to Executive Order No. 10705 in Sections 1802 and 2002(3).

6-203. Executive Order No. 11725, as amended, is further amended by substituting the number and date of this Order for the reference to Executive Order No. 11556 of September 4, 1970 in Section 3(16).

6-204. Executive Orders No. 10705, as amended, No. 11191, as amended, and No. 11556, as amended, are revoked.

6-3. General.

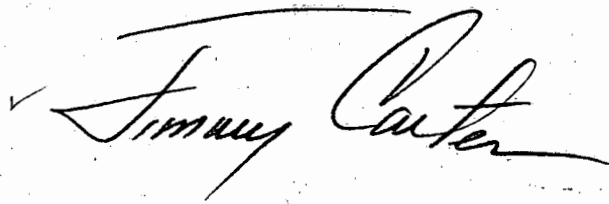
6-301. All Executive agencies to which functions are assigned pursuant to this Order shall issue such rules and regulations as may be necessary to carry them out.

6-302. All Executive agencies are authorized and directed to cooperate with the departments and agencies to which functions are assigned pursuant to this Order and to furnish them such information, support and assistance, not inconsistent with law, as they may require in the performance of those functions.

6-303. (a) Nothing in this Order reassigns any function assigned any agency under the Federal Property and Administrative Services Act of 1949, as amended, nor does anything in this Order impair the existing authority of the Administrator of General Services to provide and operate telecommunications services and to prescribe policies and methods of procurement, or impair the policy and oversight roles of the Office of Management and Budget.

(b) In carrying out the functions in this Order, the Secretary of Commerce shall coordinate activities as appropriate with the Federal Communications Commission and make appropriate recommendations to it as the regulator of the private sector. Nothing in this Order reassigns any function vested by law in the Federal Communications Commission.

6-304. This Order shall be effective March 26, 1978.

A handwritten signature in cursive script, reading "Jimmy Carter". The signature is written in dark ink and is positioned to the right of the main text block.

THE WHITE HOUSE

, 1978

1706

THE WHITE HOUSE
WASHINGTON

March 28, 1978

Lyle Gramley:

The attached was returned in
the President's outbox. It is
forwarded to you for your
information.

Rick Hutcheson

REVIEW OF RECENT DEVELOPMENTS
IN THE DOMESTIC ECONOMY

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION
FYI

	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	McINTYRE
	SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

Comments due to
Carp/Huron within
48 hours; due to
Staff Secretary
next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	GAMMILL

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

March 27, 1978

CHARLES L. SCHULTZE, CHAIRMAN
LYLE E. GRAMLEY
WILLIAM D. NORDHAUS

Good
J

MEMORANDUM FOR THE PRESIDENT

From: Lyle E. Gramley *LEG*

The attached memo on recent developments in the domestic economy has not been reviewed by Charlie Schultze. We wanted to get it to you before your departure, and Charlie will not be back from vacation until tomorrow.

The memo includes information on the CPI that is to be released Tuesday, March 28, at 9:00 A.M.

EYES ONLY

COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

March 27, 1978

CHARLES L. SCHULTZE, CHAIRMAN
LYLE E. GRAMLEY
WILLIAM D. NORDHAUS

MEMORANDUM FOR THE PRESIDENT

From: Lyle E. Gramley *LEG*

Subject Review of Recent Developments in the Domestic Economy

SUMMARY

Recent economic news has been dominated by the effects of prolonged adverse weather and the coal strike. Weather effects are holding back the expansion of GNP more this year than last, and they are outweighing the effect of the coal strike. The two developments together may be masking some underlying weakness in the economy, but we cannot be sure.

We continue to expect little or no lasting effect on economic activity from the effects of weather and the coal strike. Most of the recovery of first-quarter losses will occur in the second quarter.

Price developments in recent months have been discouraging; most of the worsening in the overall rise of prices, however, has stemmed from large increases in farm and food prices, rather than from forces affecting the underlying rate of inflation. The outlook for consumer food prices in 1978 has clearly deteriorated. Depreciation of the dollar in exchange markets will also add moderately to price pressures this year. Consumer prices may rise in the 7 to 7-1/4 percent range during 1978, compared with the 6 to 6-1/4 percent range we expected earlier.

We are in the process of reviewing our longer-run forecast for real economic activity and will report those results to you when that review is completed. Our present judgment is that real output this year may rise somewhat less than we had earlier anticipated, but the amount of downward revision in our forecast is not likely to be large.

Real Growth

As we reported to you already, the first preliminary (and never published) estimate of real GNP in the first quarter shows a decline at an annual rate of 1.3 percent. This

estimate reflects a compilation of monthly data for January and partial data for February. March data could lead to a subsequent revision. The major developments underlying this estimate are:

- o The sharp 3.8 percent decline in retail sales in January, which was followed by an increase of only 0.6 percent in February. The February rebound brought most categories of sales back close to their December levels, but automotive sales remain substantially lower. Data for early March suggest a rebound in both automotive and other purchases. Personal consumption spending for the first quarter as a whole, however, will be weak even with a strong March rebound.
- o A sharp decline (30 percent) in housing starts in January followed by only a partial rebound (2 percent) in February. Nonresidential construction -- both public and private -- has also been adversely affected by weather.
- o A slow pace of Federal purchases in the first quarter.
- o A modest first-quarter pace of inventory accumulation, as reductions of coal stocks and of farm inventories offset increases elsewhere.

Personal income has risen considerably more strongly than consumer spending. In February, personal income was 8 percent (annual rate) above the fourth quarter average and more than 4 percent (annual rate) above the high December level. In the absence of the coal strike, the December to February increase might have been closer to 5 percent. The more rapid rise in income than in personal consumption implies a rise in the saving rate. Some further upward drift in the saving rate had been anticipated, but the effects of weather and a sluggish pace of new car sales boosted the saving rate more than we anticipated. Continued strength in earnings should help to support a snapback in consumer spending in coming months.

Employment growth. Employment in nonfarm establishments in February (excluding the striking miners) was 5 percent, at an annual rate, above the fourth-quarter average. The effects of weather and the coal strike have, however, led to short work weeks. As a result, aggregate hours worked in nonfarm establishments in February were 1 percent, at an annual rate, below the fourth-quarter average. The continuation

of substantial gains in employment suggests that businesses expect a rebound in sales and plan to increase production in the months ahead.

With demands for labor remaining strong, the unemployment rate has fallen further, to 6.1 percent in February. The improvement has been mainly for experienced workers. During the period of strong labor demands since last October, unemployment rates have declined for adult black and white workers of both sexes. For adult black males, unemployment fell from 11.3 percent in October to 8.6 percent in February; for adult black females, the rate declined from 11.4 percent to 10.1 percent. (These are larger declines than can be expected over the next few months.) There has been virtually no improvement since October in unemployment among teenagers or workers in the 20-24 age group.

Factors Shaping the Longer-Term Outlook

Transitory factors such as adverse weather or a major strike make it difficult to discern underlying economic trends. They may mask developing weakness of longer-range significance.

There are three reasons for holding to the view that the outlook for 1978 remains strong.

1. Employment gains have continued to be very large, as noted earlier.
2. Recent results from consumer attitude surveys suggest that consumer confidence is holding up well.
3. Indicators of business fixed investment show continued strength, although less buoyancy than we hope will develop later in the year. The January-February Commerce survey of business capital spending plans called for an 11 percent rise in nominal outlays between 1977 and 1978 -- essentially unchanged from the previous survey. Nondefense capital goods orders rose modestly in February, but are only a little above the fourth quarter 1977 level. Relative to the first quarter of last year, these orders in February were up 16 percent in dollar terms and about 10 percent in real terms. Production of business equipment (in real terms) is up almost 8 percent from a year earlier, and contracts for

construction of commercial and manufacturing buildings are also running well above year-earlier levels.

There are, however, several sources of uncertainty about the strength of expansion as the year progresses.

- o Auto sales have been relatively slow since last October. The weakness in auto sales predated the onset of adverse weather.
- o The drop in housing starts since December has been widespread geographically. Weakness in the South may imply that more than weather is involved. It is too early to be sure. Residential construction activity is, in any case, a potential area for concern due to its vulnerability to any further rise in interest rates.
- o Acceleration of the rise in consumer prices, due to higher food prices and the depreciation of the dollar, will erode the purchasing power of the majority of consumers. These factors could slow the growth of consumer spending. If price developments put further upward pressure on interest rates, the chances for the desired upward revision in investment spending plans would be reduced.

Prices

Recent price developments have been unfavorable. There are several factors that suggest a deterioration in the inflation outlook for 1978.

- o Prices of farm products and processed foods have been rising rapidly at the wholesale level since last October. In January and February, food prices at the retail level rose 2.4 percent, reflecting the earlier increase in wholesale prices. Meat prices are the principal source of concern for the future. Cattle supplies now appear even smaller than had been anticipated a few months ago and bad weather has cut into the spring pig crop. Some rise in grain prices since last fall was to be expected, but uncertainties about possible new farm legislation, and a deteriorating outlook for the Brazilian soybean

crop, have added to the advance of prices. Sugar prices are also up, reflecting increased tariffs and import fees.

- o Wholesale prices of finished goods excluding food have continued to increase at a pace approximately in line with last year's average. However, crude materials prices (excluding food and feedstuffs) have risen somewhat more rapidly. These prices are very sensitive both to current demand conditions and to expectations.
- o Consumer prices of nonfood commodities and services rose at an annual rate of 7.8 percent in January and February -- well above the 6 to 6-1/2 percent rate prevailing in the latter half of 1977. There were special factors responsible -- such as the effect of the rise in the minimum wage in January and a jump in used car prices.
- o The depreciation of the dollar has already affected prices of imported cars, and domestic car prices have moved up sympathetically. Prices of other imports and domestically-produced substitutes will also be moving up more this year than we had been forecasting.
- o The rise in average hourly earnings has been creeping up. The unusually large increase in January was due to the increase in the minimum wage, and there was no further rise in February. Nonetheless, average hourly earnings are now about 7-1/2 percent above year-earlier levels, compared to 7 percent year-over-year changes that prevailed during the first three quarters of last year. The rate of increase in fringe benefit costs may slow somewhat in 1978 because of few large collective bargaining settlements. Nonetheless, the uptilt of the trend in earnings is bothersome for two reasons: (1) it may be reinforced by the special factors described above that are raising prices this year, thus embedding them in the wage-price structure; and (2) it may be that in certain key sectors of the labor market, available labor supplies have been reduced to the range in which future increases in labor demand will result in a creeping up of wage rates.

Our earlier forecast was for a 6 to 6-1/4 percent rise in consumer prices in 1978, measured fourth quarter to fourth quarter. A more rapid rise in consumer food prices than we had forecast may add from 0.2 to 0.4 percentage points to the overall increase in the CPI this year. Depreciation of the dollar may add up to 1/2 percentage point. Rising wage costs may add another 1/4 percentage point, bringing the overall increase in 1978 to the 7 to 7-1/4 percent range.

The direct effects of increased food prices and the depreciation of the dollar on the CPI are likely to be over by the end of 1978 -- and most of the bad news on food prices will be over by mid year. The underlying rate of inflation, however, may now have crept up above the 6 to 6-1/2 percent range.

Financial Markets

Financial markets have calmed considerably in the past few weeks -- primarily reflecting slow growth in the monetary aggregates, which has calmed fears of an imminent move toward greater monetary restraint.

- o M₁, the narrowly defined money supply, declined at an annual rate of 1 percent in February, and by mid-March was below the lower end of the Federal Reserve's long run target range. Recent slow growth partly reflects the slack performance of the real economy; a rebound in the economy during the second quarter is therefore likely to prompt renewed growth of M₁.
- o Growth in time and savings deposits at commercial banks has continued at a moderate pace -- considerably slower than during the first half of last year but down only slightly from the second half pace.
- o Deposit growth at the thrift institutions -- a major source of mortgage credit -- slowed substantially during the final quarter of 1977 and was quite slow in January and February. Saving inflows at these institutions might improve slightly if interest rates do not rise further.
- o Short-term interest rates were fairly stable in February at levels close to those reached just after the early-January increase in the Federal Reserve's discount rate and the Federal funds rate. In the first half of March, the Treasury

bill rate declined by almost one-quarter point, probably reflecting heavy foreign demand for bills; other short-term rates remained about unchanged.

- o Long-term interest rates, particularly corporate bond and mortgage rates, tended to drift up further during February, generally reaching levels about 0.2 percentage point above year-end 1977 levels. This probably reflected anticipations of more rapid inflation and a possible tightening response by the Fed. This upward drift halted in the first part of March.

The March calming in financial markets is most welcome, but it may prove temporary. If an economic rebound in the second quarter gives rise to renewed rapid growth of M_1 amidst signs of continued strong inflationary pressures, interest rates are likely to begin moving up again -- both from efforts of the Fed to limit growth of the aggregates and from the adverse expectational reactions of participants in financial markets.

1697

THE WHITE HOUSE
WASHINGTON

March 28, 1978

Jack Watson:

The attached was returned in the President's outbox today and is forwarded to you for your information. The signed original has been given to Bob Linder for appropriate handling.

Rick Hutcheson

cc: Bob Linder

REQUEST FOR EXTENSION OF
SUSPENSION OF EPA REGULATIONS
FOR THE STATE OF PENNEYLvania

THE WHITE HOUSE
WASHINGTON

Signed 3/27

<input type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
<input type="checkbox"/>	IMMEDIATE TURNAROUND

ACTION	FYI	
<input type="checkbox"/>	<input type="checkbox"/>	MONDALE
<input type="checkbox"/>	<input type="checkbox"/>	COSTANZA
<input type="checkbox"/>	<input type="checkbox"/>	EIZENSTAT
<input type="checkbox"/>	<input type="checkbox"/>	JORDAN
<input type="checkbox"/>	<input type="checkbox"/>	LIPSHUTZ
<input type="checkbox"/>	<input type="checkbox"/>	MOORE
<input type="checkbox"/>	<input type="checkbox"/>	POWELL
<input checked="" type="checkbox"/>	<input type="checkbox"/>	WATSON
<input type="checkbox"/>	<input type="checkbox"/>	McINTYRE
<input type="checkbox"/>	<input type="checkbox"/>	SCHULTZE

<input type="checkbox"/>	ENROLLED BILL
<input type="checkbox"/>	AGENCY REPORT
<input type="checkbox"/>	CAB DECISION
<input type="checkbox"/>	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day


<input type="checkbox"/>	ARAGON
<input type="checkbox"/>	BOURNE
<input type="checkbox"/>	BRZEZINSKI
<input type="checkbox"/>	BUTLER
<input type="checkbox"/>	CARP
<input type="checkbox"/>	H. CARTER
<input type="checkbox"/>	CLOUGH
<input type="checkbox"/>	FALLOWS
<input type="checkbox"/>	FIRST LADY
<input type="checkbox"/>	HARDEN
<input type="checkbox"/>	HUTCHESON
<input type="checkbox"/>	JAGODA
<input type="checkbox"/>	GAMMILL

<input type="checkbox"/>	KRAFT
<input checked="" type="checkbox"/>	LINDER
<input type="checkbox"/>	MITCHELL
<input type="checkbox"/>	MOE
<input type="checkbox"/>	PETERSON
<input type="checkbox"/>	PETTIGREW
<input type="checkbox"/>	POSTON
<input type="checkbox"/>	PRESS
<input type="checkbox"/>	SCHLESINGER
<input type="checkbox"/>	SCHNEIDERS
<input type="checkbox"/>	STRAUSS
<input type="checkbox"/>	VOORDE
<input type="checkbox"/>	WARREN

THE WHITE HOUSE
WASHINGTON

March 27, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: Jack Watson 
SUBJECT: REQUEST FOR EXTENSION OF
SUSPENSION OF EPA REGULATIONS
FOR THE STATE OF PENNSYLVANIA

Governor Milton Shapp has requested an extension of the regional energy emergency for Pennsylvania which was declared on February 24, 1978. As you know, the period of suspension was set at thirty days, unless rescinded or extended by you. The thirty-day period expired March 26. Doug Costle recommends extension of the allowable period of suspension of certain particulate and sulfur dioxide control regulations under the Pennsylvania implementation plan for an additional thirty days, subject to the conditions set out in the attached Presidential Determination, which I have prepared for your signature. Also attached is a press statement for release on the matter.

I concur in Doug's recommendation. We will, of course, work closely with the Governor's office and EPA to determine when the emergency no longer exists.

Attachments

PRESIDENTIAL DETERMINATION


Governor Milton Shapp of the State of Pennsylvania petitioned me on February 23, 1978, for a determination under Section 110(f) of the Clean Air Act that a regional energy emergency exists in Pennsylvania of such severity that a temporary suspension of certain particulate matter and sulfur dioxide emission limitations of the Pennsylvania implementation plan is necessary to avoid high levels of unemployment or loss of energy supplies necessary for residential dwellings. After considering the information and views provided to me by Governor Shapp and the Administrator of the Environmental Protection Agency, I made the requested determination, subject to certain conditions, on February 24, 1978. The original determination was ordered to remain in effect for thirty days unless otherwise rescinded or extended before that time. Because the disruption of certain energy supplies continues to threaten high levels of unemployment or loss of energy supplies necessary for residential dwellings, I am hereby extending my determination under Section 110(f) of the Clean Air Act that a regional energy emergency exists in Pennsylvania. This extension shall be effective March 26, 1978, and shall remain in effect for thirty days, subject to the conditions listed below, unless I rescind it before that time or extend it.

The following conditions shall apply to the extension:

1. Any temporary emergency suspensions shall continue to be granted by Governor Shapp on a source-by-source basis, after he has determined that in the vicinity of the source without the suspension there would be high levels of unemployment or loss of necessary energy supplies for residential dwellings.
2. The Administrator of the Environmental Protection Agency may disapprove any temporary emergency suspension issued by the Governor as provided in Section 110(f)(3) of the Clean Air Act or if the Administrator determines that an air pollution emergency exists.
3. Governor Shapp is authorized to automatically extend any temporary emergency suspension granted under my original determination unless the Administrator of the Environmental Protection Agency has disapproved such suspension.

This determination shall be published in the Federal Register.

Date: _____

x 

THE WHITE HOUSE
WASHINGTON

March 28, 1978

Frank Moore
Stu Eizenstat

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Jim Schlesinger

ENERGY BILL

THE WHITE HOUSE
WASHINGTON

Mr. President:

Stu's office has consulted with Secretary Schlesinger who generally concurs with this memo.

Rick (wds)

Stu - Frank
J

THE WHITE HOUSE
WASHINGTON

March 27, 1978

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT
FRANK MOORE

Stu
F.M./A.D.T.

SUBJECT: Energy Bill

On the unanimous advice of our supporters in the energy conference, we have sought to keep you from direct involvement in the Natural Gas Conference until there are relatively few remaining differences. We now believe very few substantive differences remain, and you should intervene. Without your intervention, it is possible that a gas agreement might not be reached within an acceptable time period.

We think that you could become involved at two different levels. The first level would involve your meeting with various members of the conference, individually or collectively, to urge them to reach agreement. That level of involvement could be successful because the problem can probably best be overcome by your intervention. Otherwise, we fear that the conference might degenerate into needless and interminable bickering over issues which really do not merit prolonged negotiations.

The second, and later, possible level of your involvement would entail proposing a compromise to the conferees. As you know, we have publicly followed the strategy of not developing our own compromise position. That strategy has brought us to this point, but we believe that a "new" Administration position could become necessary to maintain momentum. Of course, there are risks to presenting our own position, and we would obviously prefer not to do so. But, if your convening the parties and urging them to reach an agreement among themselves does not work, we see no alternative but to present a compromise position and use all of our resources to have it accepted.

Any decision about a compromise can be deferred until after you have pursued the first level of involvement. However, in order to be prepared to present a compromise, we need to assess the open issues in some detail and explore possible compromise positions. We believe that we can quietly do that within the next several weeks, working closely with Jim Schlesinger and his staff.

As we develop information, we believe that you should immediately begin involvement at the first level. Therefore, we recommend that during the week of April 10, you meet individually at least with Senators Jackson and Johnston and Congressmen Ashley, Staggers and Dingell. Pending the results of those meetings you may need to meet later in the week with the conferees as a group.

This memorandum is prompted by a deep concern that our highest legislative priority could be slipping away. While it is still a little early to know for certain whether that is so, we believe you can no longer afford to remain uninvolved. Not only do you now risk not having a natural gas conference agreement and the energy tax agreement which is dependent on natural gas, you also risk creating an unfair image of a President unwilling to become personally involved in fighting for his highest legislative initiative.

Proceed with recommendations ✓

Do not proceed with recommendations _____

Comment _____

*As you know, I wanted
to do this last year
J*

SOUTH LAWN DEPARTURE

1

TODAY I LEAVE ON A JOURNEY WHICH WILL REFLECT
OUR NATION'S ABILITY TO DEAL ^{IN A} CONSTRUCTIVE AND
WAY CREATIVELY WITH THE DIVERSITY OF THE WORLD IN WHICH
WE LIVE.

AT EVERY STOP IN THIS TRIP OUR GUIDING PRINCIPLES
WILL BE ECONOMIC JUSTICE, HUMAN RIGHTS, FAIR RELATIONS
BETWEEN NATIONS, AND THE SEARCH FOR PEACEFUL RESOLUTION
OF THE WORLD'S CONFLICTS.

2

WE HAVE SPECIAL AND LONG-LASTING TIES WITH THE
COUNTRIES OF LATIN AMERICA AND AFRICA. MANY OF
OUR PEOPLE TRACE THEIR ROOTS TO THESE TWO CONTINENTS,
AND WE SHARE WITH THESE NATIONS A HISTORY OF FREEDOM
WON FROM COLONIAL DOMINATION.

THE COUNTRIES I WILL VISIT EXEMPLIFY THE PROFOUND
CHANGES THAT ARE TAKING PLACE, AND THE GROWING

IMPORTANCE OF OUR RELATIONS WITH NEW LEADERS OF
THE DEVELOPING WORLD.

IN VENEZUELA, BRAZIL, NIGERIA AND LIBERIA
WE WILL ATTEMPT TO STRENGTHEN FRIENDSHIPS, SHARE
MUTUAL INTERESTS AND OPPORTUNITIES, AND LEARN
FROM THE LEADERS OF THESE INFLUENTIAL NATIONS.

BY THE END OF THIS CENTURY, EIGHTY PER CENT OF
THE WORLD'S PEOPLE WILL LIVE IN LATIN AMERICA, AFRICA,
AND ASIA. RAPIDLY DEVELOPING COUNTRIES, SUCH AS
THE FOUR I WILL VISIT ON ~~THIS TRIP~~, WILL PLAY A LARGER
AND LARGER PART IN OUR LIVES AND IN DETERMINING OUR
SHARED HUMAN FATE.

IN THIS WORLD OF CHANGE, WE WILL MAINTAIN OUR
GREATNESS IF WE ARE ABLE TO CHANGE, WHILE REMAINING
TRUE TO THE PRINCIPLES THAT HAVE MADE US STRONG•

I SET OUT ON THIS JOURNEY TO EXPLAIN OUR VALUES,
PROUDLY AND CLEARLY, TO OUR FRIENDS, AND TO
UNDERSTAND THEIR OPINIONS AND CONCERNS•

MY GREATEST AMBITION WILL BE TO REPRESENT THE
PEOPLE OF MY NATION TRULY AND WELL AND THAT
AMBITION, IF REALIZED, WILL INSURE THE SUCCESS
OF MY MISSION•

COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

CHARLES L. SCHULTZE, CHAIRMAN
LYLE E. GRAMLEY
WILLIAM D. NORDHAUS

March 27, 1978

EYES ONLY

MEMORANDUM FOR THE PRESIDENT

FROM: Lyle E. Gramley *LEG*
Subject: Consumer Prices in February

The Bureau of Labor Statistics will publish tomorrow (Tuesday, March 28) at 9:00 a. m., its estimate of the February rise in consumer prices. Given what had been widely expected, the news is good.

Overall, consumer prices went up 0.6 percent in February, compared with an 0.8 percent rise in January. Food prices rose 1.2 percent -- the same as in January. All items other than food increased 0.5 percent in February, compared with 0.8 percent in January.

Food prices had been expected to go up faster in February than in January. Meat prices did continue to increase rapidly -- up 2.8 percent in February, compared with 2.7 percent in January. However, prices of fruits and vegetables were about unchanged last month, following a 1 percent rise in January (when adverse weather affected deliveries). Also, the rise in the minimum wage contributed to a 1.2 percent rise in prices of food away from home in January; the increase in February fell back to 0.6 percent.

For items other than food, the more moderate increase in February stems from two factors. First, prices of apparel declined in February, possibly reflecting price cuts to stimulate sales. Second, costs of homes purchased rose much less than in January. This second development may reflect no more than a quirk in the statistics. We have no reason to believe that a major slowdown in the price rise of new or existing homes is likely.

This news will probably receive relatively favorable press coverage. It does indicate that a major acceleration is not underway in the rise in consumer prices other than food. However, we are very likely to see several more months of large increases in grocery store prices.

~~CONFIDENTIAL~~

Eyes Only

THE WHITE HOUSE
WASHINGTON

March 28, 1978

The Vice President Frank Moore
Stu Eizenstat Jody Powell
Ham Jordan Zbig Brzezinski
Tim Kraft

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

PRESIDENTIAL AGENDA THE NEXT
60 DAYS

DECLASSIFIED
E.O. 12356, SEC. 3.4(b)
WHITE HOUSE GUIDELINES, FEB. 24, 1983
BY *Jag* NARS, DATE *5/1/90*

THE WHITE HOUSE
WASHINGTON

*Mary Ann - Pls Hand Delive /
Send out as eyes only
in sealed envelope
CONFIDENTIAL*

<input type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
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ACTION	FYI	
<input checked="" type="checkbox"/>		MONDALE
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<input checked="" type="checkbox"/>		JORDAN
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<input checked="" type="checkbox"/>		MOORE
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<input type="checkbox"/>		WATSON
<input type="checkbox"/>		McINTYRE
<input type="checkbox"/>		SCHULTZE

<input type="checkbox"/>	ENROLLED BILL
<input type="checkbox"/>	AGENCY REPORT
<input type="checkbox"/>	CAB DECISION
<input type="checkbox"/>	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

<input type="checkbox"/>	ARAGON
<input type="checkbox"/>	BOURNE
<input checked="" type="checkbox"/>	BRZEZINSKI
<input type="checkbox"/>	BUTLER
<input type="checkbox"/>	CARP
<input type="checkbox"/>	H. CARTER
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<input type="checkbox"/>	VOORDE
<input type="checkbox"/>	WARREN

CONFIDENTIAL



OFFICE OF THE VICE PRESIDENT

WASHINGTON

March 27, 1978

*Litz -
Sounds very
heavy - 9/11
try J*

MEMORANDUM FOR: THE PRESIDENT

FROM:

THE VICE PRESIDENT *[Signature]*
HAMILTON JORDAN *[Signature]*
STUART EIZENSTAT *[Signature]*
TIM KRAFT *[Signature]*
JODY POWELL *[Signature]*
FRANK MOORE *F.M.*
ZBIGNIEW BRZEZINSKI *[Signature]*

SUBJECT:

PRESIDENTIAL AGENDA
THE NEXT 60 DAYS

The following memorandum sets forth our recommendations concerning priorities for use of your time during the next 60 days. It distinguishes between those activities which will demand a substantial share of your time for private meetings and phone calls to Members of Congress, and those which would help to underscore and strengthen your public leadership on crucial domestic issues. The memorandum does not address the private reading and decision time for policy matters that must be resolved during the next several weeks. It also does not address in detail your foreign visit schedule, and the preparation and meeting time associated with the NATO Summit in late May. Our analysis does clearly reveal a serious time crunch throughout the next two months.

A corollary of the recommendations which follow is therefore the need for rigid discipline in avoiding overload of what is already an extremely tight schedule. Wherever possible activities of lesser priority should be postponed or delegated to the Cabinet and senior staff. In addition, we believe that given the Kaunda and Fukuda visits already scheduled for the next 60 days, that meetings requested by President Giscard d'Estaing and Chancellor Helmut Schmidt be timed to coincide with the two days already reserved for the NATO Summit. This recommendation is offered not only to minimize the demands on your time, but also to avoid the public perception of serious imbalance in Administration preoccupation with foreign versus domestic affairs.

*x or, alternatively, for
lunches only 25.*

DECLASSIFIED
E.O. 12356, SEC. 3.4(b)
WHITE HOUSE GUIDELINES, FEB. 24, 1983
BY *[Signature]* NARS, DATE *3/11/90*

March 27, 1978

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CONFIDENTIAL

Our suggestions on priorities are divided into the following three sections:

Section A provides our recommendations concerning priority initiatives which require and deserve a substantial share of your time in private consultation with Members of Congress. Only the most important and most pressing items are listed. Where secondary initiatives may conflict with more urgent goals, those conflicts are flagged for your consideration.

Section B lists priorities for public leadership, including Presidential statements at press conferences, major speeches, and/or televised addresses to the nation. The suggestions on this list are offered in an effort to begin to narrow and sharpen in the public's mind the major priorities of your Administration for 1978, and to build the public support necessary for achievement of your most pressing goals.

Section C highlights important issues of immediate concern which we would seek to resolve with the minimum possible direct commitment of your time.

SECTION A -- PRIORITIES FOR CONGRESSIONAL CONSULTATION

In addition to the recommendations regarding specific priority initiatives which follow, we are united in the view that the initially approved schedule of two days of campaign time per month should be followed during April and May. In our view, the success of your trip to the Northeast played a strong role in bolstering support for your position on the first Panama Treaty vote. We believe that, as important as meetings with Members of Congress on individual issues may be, nothing could contribute more to the success of your legislative program than continually underscoring and reminding the Congress of your enormous strength as a campaigner.

I agree

1. Panama. A major Presidential time commitment for Congressional consultation will be required for most of the period between April 3-26. The most intensive activity will probably be necessary immediately following the Congressional recess and in the period just before the vote. Assuming favorable action on the second treaty, all of your advisors recommend against pressing for

Memorandum for the President
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Congressional approval this year of the implementing legislation. In the judgment of both your national security and Congressional relations staffs, the chances for success are negligible, and with half the available Congressional working days already consumed, further floor debate on Panama would leave virtually no time for action on other priority items. If passage of the implementing legislation were deferred for this year, consideration should be given to arranging a 1 day trip to Panama soon after the treaty vote in celebration of the success and to ensure continuing goodwill during the longer second-stage process of passing implementing bills.

2. Energy. We are united in the view that the time has come for you to take a strong personal role in resolving the natural gas issue, and in helping to move debate forward on the critical energy tax questions. Should you agree, a heavy personal time commitment would be required for meetings with individual conferees beginning the second week in April and continuing into May. Upon your return we will provide you with a memorandum with specific recommendations regarding strategy and time commitments involved.

*I've been
waiting
for
months*

3. Economic Policy. (A) Inflation. It is recommended that your statement be broadened to include discussion of inflation and the dollar, and that energy, hospital cost containment and airline deregulation be added as major legislative components of your policy announcement. Moreover, we believe that substantial added staffing should be done in advance of the April 11th announcement identifying specific follow-on activities that can add credibility and teeth to the basic "jawboning" strategy. In the judgment of your Congressional and policy staffs both the hospital cost containment and airline deregulation proposals can be passed with a strong Presidential push. At a minimum, several phone calls to key members of the House will probably be needed in the period April 5-10th to obtain favorable Ways and Means Committee action on hospital costs. Phone calls to 4-5 House members will also be necessary on April 4th to press for passage of the airline deregulation bill. (B) Tax Reform/Relief. With the exception of activities already planned for the first week in April, intensive Congressional lobbying will probably not be required before late May on the tax issues.

ok

ok

ok

(C) Urban Policy. No substantial commitment of your time on the jobs/cities issue appears to be needed at this time. However, a major social event at the White House (involving both mayors and Members of Congress) in early May, could help to underscore your concern about urban problems to the Congress and to the nation's leading urban officials. ok
7

4. Middle East Arms Sales/Greek-Turkish Initiatives. Both matters will require a substantial portion of your time in the coming 60 days. A separate paper will be provided to you on these issues shortly after your return from the overseas trip.

5. Civil Service Reform. Heavy direct Presidential consultation with Members of Congress should not be required until late April or early May. Minimum time may be needed for one or two meetings in Mid-April.

SECTION B -- PRIORITIES FOR PUBLIC LEADERSHIP

As noted above, we are very concerned that the combination of 2 overseas trips, intensive activity on Panama and the Middle East, and the NATO and Economic Summits, run the risk of leaving the impression that the Administration is much more deeply involved in international than in domestic affairs. For this reason we recommend that a schedule of major domestic policy addresses be adopted for the months of April and May. The following are our recommendations:

1. Economic Policy. (A) Inflation and the Dollar. (Specific suggestions for the April 11 speech are provided above). In addition, we would recommend that targets of opportunity be sought (e.g. favorable action by House and Senate Committees and floor votes) to place continuing emphasis on hospital costs and airline deregulation. On both issues, we think there is as yet untapped potential for building broad-based public support, and for achieving major victories during the current Congressional session. ok
(B). Tax Reform/Relief. We would also suggest that a major tax reform/relief speech be considered for mid-May. This issue is broadly popular as demonstrated in every recent public opinion poll. Added visibility could greatly enhance the chances for affirmative Congressional action on your proposals. ok Emphasis on reform would also provide a

Memorandum for the President

March 27, 1978

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way to underscore your concern for and the taxpayers' interest in fiscal responsibility. Such a speech -- geared toward continued economic recovery, greater tax equity and fiscal restraint -- would also provide an opportunity to highlight the substantial progress that has been made in putting Americans back to work. (C) Urban Policy. Beyond the social event mentioned in Section A, no added Presidential speeches are recommended at this time. During the spring months Mrs. Carter, the Vice President and key Cabinet officers, will be pumping up your urban package in the major cities.

2. Energy. A series of Presidential statements beginning with the natural gas issue in early April will probably be necessary. Beyond time that is already recommended for Congressional consultation, it is not anticipated that these statements would require substantial added demands on your time.

3. Civil Service Reform. A major address on Civil Service reform is recommended for early May, in advance of Committee mark-ups and at a time when the Congress and the national press will be searching for signs of whether the Administration intends to make a full scale effort and whether there is sufficient public support for success. We would strongly urge reconsideration of the Associated Press editors meeting in Atlanta on May 1st as an appropriate forum for such an address. ?

*Jody has
been
against
it*

(Note on thematic treatment of 1978 priorities: The foregoing candidates for high priority in public statements offer the opportunity to draw together a number of important and attractive Administration themes -- redirecting limited budget resources toward important national needs, -- curbing inflation, stabilizing the dollar, and reducing excess government regulation, -- making the bureaucracy more responsive -- facing up to the tough decisions on energy -- putting people back to work -- eliminating tax loopholes and reducing the tax burden on working people.)

SECTION C -- PRIORITY ISSUES WHERE PRESIDENTIAL INVOLVEMENT SHOULD BE MINIMIZED

1. Farm Bill. During the first two weeks in April, Conference Committee action is likely either on legislation that meets the criteria set forth in your recent decision memorandum or on a measure that must be vetoed. In either

case, given the press of other business, it is recommended that the Secretary of Agriculture, Stuart Eizenstat and Frank Moore work with the Vice President to reduce the need for commitment of your personal time. It is probable, however, that you will have to spend some additional time on this issue.

2. Education Reorganization. Shortly after your return, decisions must be made on specific programs recommended by the Administration for transfer to the new Department of Education. No radical changes are proposed, but Cabinet resistance can be anticipated to loss of a number of programs. A number of meetings with you could be required. we would recommend that you strictly limit the time committed to these sessions. In advance of your decisions, every effort will be made to reach unanimous EOP agreement on the specific program recommendations.

3. Welfare Reform. It is recommended that Stuart Eizenstat and Frank Moore, be given lead White House responsibility for working with affected Cabinet officers to ensure that welfare reform strategy be carefully designed to minimize the need for commitment of your time during the next 60 days.

4. Korean Conversion. Again, we recommend that Dr. Brzezinski work with the appropriate members of the Cabinet, Frank Moore and the Vice President to prepare a strategy sensitive to both national security and Congressional concerns that would minimize the near-term demands on your time.

5. Defense Budget. Already it appears that there is a substantial threat of Congressional budget increases in the defense area. We would urge that Jim McIntyre and Harold Brown cooperate closely in developing a strategy to counter this threat with minimal direct Presidential involvement.